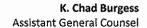
STATE OF SOUTH CAROLINA  South Carolina Electric & Gas Company – Annual Review of Base Rates for Fuel Costs			) BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  COVER SHEET  DOCKET NUMBER: 2010 - 2 - E			
(Please type or print	•					
Submitted by:	Submitted by: K. Chad Burgess		SC Bar Number: 69456			
Address:	SCANA Corp.		Felephone:	803-217-8141		
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	Cayce, SC 29033-		Other: Email: chad.burgess@scana.com			
Other:	D elief demanded in pe	OCKETING INFOR	`	** *	's Agenda expeditiously	
INDUSTRY (Check one)		NATU:	RE OF ACTION	(Check all that	t apply)	
		☐ Affidavit	Letter		Request	
Electric/Gas		Agreement	Memorandum		☐ Request for Certification	
☐ Electric/Telecommunications		Answer	Motion		Request for Investigation	
Electric/Water		Appellate Review	Objection		Resale Agreement	
☐ Electric/Water/	Telecom.	Application	Petition		Resale Amendment	
Electric/Water/Sewer		Brief	Petition for Re	consideration	Reservation Letter	
Gas		Certificate	Petition for Ru	ılemaking	Response	
Railroad		Comments	Petition for Rule	e to Show Cause	Response to Discovery	
Sewer		Complaint	Petition to Inte	rvene	Return to Petition	
☐ Telecommunications		Consent Order	Petition to Inter	vene Out of Time	Stipulation	
☐ Transportation		Discovery	Prefiled Testin	nony	Subpoena	
☐ Water		Exhibit	Promotion		☐ Tariff	
☐ Water/Sewer		Expedited Consideration	Proposed Orde	er	Other:	
Administrative Matter		Interconnection Agreement	Protest			
Other:		Interconnection Amendment	Publisher's Aff	fidavit		
			Report			





chad.burgess@scana.com

April 15, 2010

#### **VIA ELECTRONIC FILING**

The Honorable Jocelyn Boyd Interim Chief Clerk/Administrator **Public Service Commission of South Carolina** 101 Executive Center Drive Columbia, South Carolina 29210

RE: Annual Review of Base Rates for Fuel Costs of South Carolina Electric & Gas

Company

Docket No. 2010-2-E

Dear Ms. Boyd:

During the March 25, 2010 hearing in this Docket, the Commission directed South Carolina Electric & Gas Company ("SCE&G") to submit late filed exhibits to provide budgeting information for sulfur dioxide emission allowance credit purchases and to provide the ending balance of the sulfur dioxide emission allowance account.

Pursuant to the Commission's request, please accept these into the hearing record for this proceeding as late-filed exhibits to be identified, per the court reporter, as Hearing Exhibit No. 4 and Hearing Exhibit No. 5.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms Enclosures

cc: Shannon Bowyer Hudson, Esquire Courtney D. Edwards, Esquire

Scott Elliott, Esquire E. Wade Mullins, Esquire Joey F. Floyd, Esquire

Damon E. Xenopoulos, Esquire

(all via First Class U.S. Mail and electronic mail)

#### **BEFORE**

#### THE PUBLIC SERVICE COMMISSION

#### OF SOUTH CAROLINA

#### **DOCKET NO. 2010-2-E**

IN RE:	)	
	)	
South Carolina Electric & Gas Company's	)	
Annual Review of Base Rates for	)	HEARING EXHIBIT NO. 4
Fuel Costs.	)	
	)	

South Carolina Electric & Gas Company ("SCE&G" or "Company") was asked to provide budgeting information for sulfur dioxide ("SO<sub>2</sub>") emission allowance credit purchases and to explain how the Company budgets for such purchases in light of market volatility. Below is the requested information.

The Company's forecasted need to purchase SO<sub>2</sub> emission allowance credits is based on projected sources of electric generation as well as SCE&G's current inventory level of SO<sub>2</sub> emission allowance credits. If the Company's current inventory level of SO<sub>2</sub> emission allowance credits is insufficient to cover the emissions from SCE&G's sources of electric generation, then the Company must (i) purchase SO<sub>2</sub> emission allowance credits on the open market, (ii) perform trades with other entities, or (iii) participate in the SO<sub>2</sub> emission allowance credits auction which is administered by the United States Environmental Protection Agency.

SCE&G is currently in the process of acquiring SO<sub>2</sub> emission allowance credits through 2013. Based upon the Company's forecast, SCE&G will need to obtain approximately 20,000 SO<sub>2</sub> emission allowance credits to cover its forecasted emissions through 2013. For budgeting purposes, the amount of SO<sub>2</sub> emission allowance credits needed and their current market value is placed into SCE&G's cash requirements for the period in which the allowances are scheduled for

purchase. For example, if SCE&G purchases 20,000 SO<sub>2</sub> emission allowance credits at today's current market value and those allowance credits are not scheduled for use until 2013, then the amount of that purchase is placed into SCE&G's cash requirements for 2010. Please note, however, that the actual amount of SO<sub>2</sub> emission allowance credits required by the Company will vary because of differences between actual emissions and forecasted emissions.

#### BEFORE

# THE PUBLIC SERVICE COMMISSION

### OF SOUTH CAROLINA

## **DOCKET NO. 2010-2-E**

IN RE:	)	
	)	
South Carolina Electric & Gas Company's	)	
Annual Review of Base Rates for	)	HEARING EXHIBIT NO. 5
Fuel Costs.	)	
	)	

At the hearing in the above-referenced docket, the Public Service Commission of South Carolina asked South Carolina Electric & Gas Company to provide the ending balance of the sulfur dioxide emission allowance account (Account 254.0100) as of December 31, 2009. The balance of Account 254.0100 as of December 31, 2009 is \$0.00.